

**AFFORDABLE DWELLING UNIT ADVISORY BOARD (ADUAB)  
MEETING AGENDA**

**Tuesday, January 13, 2015  
8:00 AM**

**Shenandoah Building – 2nd Floor - Shenandoah Room**

**TIME: 8:00 AM**

**– Welcome –**

**I AGENDA REVIEW, ADDITIONS, CHANGES**

**II PUBLIC COMMENT**

**III REVIEW OF MINUTES**

A. Minutes – December

**IV ACTION ITEMS**

- A. Appointment of Sub-Committee Chairs - Mossgrove
  - a. Builder's Committee
  - b. Finance Committee
  - c. Zoning Modification Committee
  - d. Ad Hoc Consumer Committee

**V INFORMATION ITEMS**

- A. Report – Monthly
- B. Updated Membership List
- C. Staff Updates
  - a. Status of Realtor Request for Proposals (RFPs)
  - b. Status of Loudoun Habitat for Humanity Non-profit Designation
  - c. Status of Housing Stakeholder's Group recommendations

**VI COMMITTEE REPORTS**

- A. Housing Advisory Board (HAB) – Dwight Stonerook, Chair
- B. Builder's Committee – Dwight Stonerook, Chair
- C. Joint Finance and Consumer Committee – Shaun Kelley, Chair
- D. Joint Builder's and Zoning Modification Committee – James Anders, Chair
- E. Zoning/Modification Committee – James Anders, Chair

**VII ADJOURN**

*If you require a reasonable accommodation for any type of disability in order to participate in Department of Family Services' ADUAB meeting, please contact Sahar Behboudifar at 703-777-0353. Three business days advance notice is requested.*

**Next Meeting**

**\*\*Tuesday, February 10th – Shenandoah Room, 8:00 AM\*\***

**\*Items included in the packet:**

- A-1: Minutes
- A-2: Monthly Report
- A-3: Updated Membership List
- A-4: JFCC Meeting Notes

**Affordable Dwelling Unit Advisory Board Meeting Minutes (ADUAB)**  
**Tuesday- December 9, 2014**  
**Shenandoah Room - Shenandoah Building**

**Members Present:** Dawn Billow – Co-chair; John Mossgrove – Co-chair; Rich Klusek, Pamela McGraw, Shaun Kelley, Angela Plowman, Robert Fredeen, Steve Schulte, Jim Anders, Dwight Stonerook, Ben Fornwalt (Suzanne Volpe)

**DFS Staff Present:** Sarah Coyle Etro - Assistant Director; Kelly Marrocco - Program Manager; Lenny Goldberg – Program Specialist; Sahar Behboudifar- Administrative Assistant; Truman Horwitz- Management Fellow

**Members Absent:** None

**Public Present:** Greg Leygraaf – Toll Brothers; Pascale Roy – Toll Brothers; David Carter – Ryan Homes; Michael German – Ryan Homes; Patti Wynkoop – Miller & Smith; Samantha Gilman – Miller & Smith; Dexter Fink – Miller & Smith

**Call to Order**

Co-Chair - Dawn Billow called the meeting to order at 8:05 AM

**Agenda Review, Additions and Changes** – No changes to the agenda

**Public Comment** – None

**Review of Minutes**

**A. Minutes – October 14, 2014 , October 21, 2014 (Special Meeting) & November 12,2014**

Minutes from October 14, October 21, 2014 were approved with no edits. Minutes from November 12, 2014 were approved with edits on A1-6.

John Mossgrove and Angela Plowman entered the meeting at 8:10 a.m.

Ben Fornwalt entered the meeting at 8:15 a.m.

**Action Items**

**A. ADU Pricing – Lenah Mill – Toll Brothers – Goldberg (A2-1-2)**

Presenter of Item: Lenny Goldberg

Contributor: Greg Leygraaf; Pascale Roy

Supporting Documentation: Memorandum (A2-1 to A2-2)

Reason item is before the ADUAB: Toll Brothers submitted ADU land development costs that exceed program maximums. Toll Brothers is requesting \$50,343 in ADU Project Infrastructure and Common Development Costs. The program maximums are \$26,000 and \$8,000 respectively. In addition, the resulting sales price (\$213,187) exceeds the maximum administratively approvable sales price of \$129,000.

The ADUAB Builder's Committee met on December 2, 2014 to discuss the ADU land development costs requested by Toll Brothers. The Committee reviewed the contracts/land development budgets and determined that several line items related to road improvements to Route 50, traffic lights on Route 50 and the cost of relocating some utilities on Route 50 should be deleted from the requested ADU land development costs. Toll Brothers deleted those costs, which reduced the ADU sales price to \$213,187 from \$216,492. The committee also noted that the ADU Project Infrastructure and Common Development Costs were based upon the proposed budget figures not the actual costs. Toll Brothers advised the Board that Lenah Mill is a by-right community and not subject to proffers. Costs relating to recreational facilities (i.e. swimming pools and racquet courts, parks, amphitheaters, dock and trails) were included in the requested land development costs. These costs are often proffered and prohibited from being attributed to the ADU sales price. In this case there were no proffers due to by-right; and therefore, the costs mentioned above are allowed to be included in the ADU sales price. The Board considered the price being requested by Toll Brothers, the bonus density received by Toll Brothers, proposed costs versus actual costs, the price of the SFD units and amenities included in the costs.

After a lengthy discussion, the Board asked Toll Brothers to reconsider several items including the sales price, the add-on costs and amenities added to the sales price. Mr. Greg Leygraaf and Ms. Pascale Roy said they need to come back at the later time.

**B. ADU Pricing – Loudoun Crossing Kirkpatrick – Ryan Homes – Goldberg**

Angela Plowman made the following recusal:

"I, Angela Plowman, want to disclose that I work with Ryan Homes on multiple projects and as such I will recuse myself from both the discussion and the vote on this item."

Presenter of Item: Lenny Goldberg

Contributor: David Carter - Ryan Homes

Supporting Documentation: Memorandum (A3-1 to A3-2)

Reason item is before the ADUAB: Ryan Homes submitted land development costs (\$33,324 in Specific Section Development Costs) that exceed program maximum (\$12,000). The ADUAB Builder's Committee and ADUAB previously approved \$5,000 in Project Infrastructure and Common Development Costs. Ryan Homes is requesting \$5,000 for this submission. Moreover, the sales price of \$164,661 (Ryan has requested uncapped square footage) or \$149,760 (capped square footage) exceed the maximum administratively approvable sales price of \$129,000.

These 2 over 2 units will be 1642 finished square feet of living area, 3 bedrooms and 2.5 bath, rear load 1 car garage, additional full bath, gas heat, partial brick front at 50% of builder cost, fire pump and sprinkler system. There will be 12 ADUs. The monthly Condo/Master Association fee is \$192, which includes trash and snow removal, water and use of all community amenities. The buyer is required to pay a one-time capital contribution fee of \$500 at settlement.

Staff reported that the ADUAB Builder's Committee met on December 2, 2014 to discuss the ADU land development costs requested by Ryan Homes. The Committee reviewed the contracts/land development budgets and found that the requested costs were in line with what the Committee has seen in the past. One line item on the Schedule C Proforma Form (earthwork, clearing & grading) was higher than what has been seen in the past. The

Committee understood that the presence of poor soil, the requirement to crush and move a large amount of rock and soil left on site by a prior developer caused the afore-mentioned line item to be higher than usual.

After some discussion on the capped versus uncapped square footage, Steve Schulte made the following motion:

"I move that the ADUAB approve the requested ADU land development costs of \$ 33,324 per lot in ADU Specific Section Development Costs and the resulting capped ADU sales price of \$149,760. Robert Fredeen seconded the motion. The motion passed (9-0-1) (Angela Plowman –recused).

**C. ADU Re-Pricing Issue – Westridge Section 4 – Ryan Homes – Goldberg**

Angela Plowman made the following recusal:

"I, Angela Plowman, want to disclose that I work with Ryan Homes on multiple projects and as such I will recuse myself from both the discussion and the vote on this item."

Presenter of Item: Lenny Goldberg

Contributor: Michael German - Ryan Homes

Supporting Documentation: Memorandum (A4-1 to A4-2)

Reason item is before the ADUAB: Ryan Homes has requested that the units be re-priced as multi-family attached units rather than multi-family condominium units.

The ADUAB approved land development costs and the overall pricing of 15 multi-family ADUs in Section 4 of Westridge on April 8, 2014. 3 of the 15 units have been sold to ADU Certificate Holders. The proposed homes were 2 bedroom, 2 bath townhouses (condo ownership) with a 1 car garage , 1391 finished square feet of living area, gas heat, an additional full bath, 2 piece rough-in and a brick front. There were to be 3 different elevations constructed and the sales prices would vary depending upon the elevation/brick front. The cost of the brick fronts at 50% of the builder's cost will add between \$3,732 and \$4,987 to the ADU sales price. The prices would range from \$115,136-\$115,927 depending upon the elevation provided. The monthly HOA fee of \$198 includes community amenities, trash pick-up, snow removal and maintenance of the common areas.

The only structural change in the re-priced unit will be the increase in bedroom count from 2 to 3 bedrooms. The 3<sup>rd</sup> bedroom will be located in the lower level of the home. Ryan Homes has requested that the units be re-priced as multi-family attached units rather than multi-family condominium units due to a mistake by Ryan Homes on the previously submitted paperwork.

After a discussion on the unit type, John Mossgrove made the following motion:

"I move that the ADUAB approve the re-pricing of the ADUs at Westridge Section 4 at \$136,207-\$137,616 depending upon elevation provided. Jim Anders seconded the motion. The motion passed (8-0-1-1) (Rich Klusek-abstain; Angela Plowman – recused).

**D. ADU Price Approval at One Loudoun Land Bay C – Miller & Smith – Goldberg**

Jim Anders made the following recusal:

"I, Jim Anders, want to disclose that I work with Miller & Smith on multiple projects and as such I will recuse myself from both the discussion and the vote on this item."

Steve Schulte made the following recusal:

"I, Steve Schulte, want to disclose that I work with Miller & Smith on multiple projects and as such I will recuse myself from both the discussion and the vote on this item."

Presenter of Item: Lenny Goldberg

Contributor: Patti Wynkoop – Miller & Smith

Supporting Documentation: Memorandum (A5-1 to A4-2)

Reason item is before the ADUAB: Miller & Smith has submitted an ADU pricing request (\$185,505) that exceeds the maximum administratively approvable sales price of \$129,000.

The ADUAB approved land development costs (\$5,812 and \$41,672) for Land Bay C on March 12, 2013 for 11 townhomes. Miller & Smith is seeking price approval for 2 single family detached (SFD) ADUs in Land Bay C. The proposed ADUs are 4 bedroom, 2 bath, SFD homes with approximately 1898 finished square feet of living area, 700 unfinished square feet, rough-in bath in the lower level, gas heat, architectural compatibility items (masonry fronts, exterior door with sidelights and metal railing) at 50% of the builder's cost (\$9,346) and a 2 car garage. The monthly HOA fee of \$201 includes trash pick-up, snow removal and use of community amenities. The buyer will be required to pay a one-time capital contribution at settlement of \$603. The sales price of the afore-mentioned ADU at the program maximum land development costs of \$26,000 for Specific Section Costs and \$8,000 for Common Development Costs would be \$170,390.

Shaun Kelley made the following motion:

"I move that the ADUAB approve the requested ADU sales price of \$185,505 for the 2 SFD ADUs in Land Bay C at One Loudoun. Pamela McGraw seconded the motion. The motion passed (8-0-2) (Jim Anders, Steve Schulte –recused).

Dwight Stonerook left the meeting at 9:50 a.m.

#### **E. Ordinance Mandated Semi-Annual Review of ADU Sales Prices – Goldberg**

Staff reported to the Board that ADU sales prices are calculated using data contained in Appendix A (ADU Pricing Standards). The dollar per square foot numbers in Appendix A are adjusted up or down according to the change in the Consumer Price Index-Urban Consumers (CPI-U). The United States Bureau of Labor Statistics generally publishes the CPI-U figures monthly. The ADU square footage costs have not been revised since May 2003. The CPI-U has increased by 30%. The base price of a 3 bedroom, 1.5 bath townhouse would increase from \$65,367 to \$84,977. The dollar per square foot figure would increase from \$60.08 per square foot to \$78.10 per square foot.

The ADUAB Builder's Committee is currently working on revisions to the ADU pricing methodology and expects to provide the ADUAB with a recommendation by April of 2015. The Committee is comfortable recommending that the ADUAB vote to leave current pricing the same at this time.

After some discussion, Steve Schulte made the following motion:

"I move that the ADUAB leave the square foot costs unchanged as well as the way ADU sales prices are calculated at this time and instruct the ADUAB Builder's Committee to

continue the work on an alternate methodology of calculating ADU sales prices that is based on the affordability of the ADUs. Jim Anders seconded the motion. Shaun Kelley made a friendly amendment to bring the new methodology to the ADUAB prior to it being finalized. This amendment was accepted. The motion passed (9-1-0) (Pamela McGraw –opposed).

**F. Waitlist Priority 4 Item – Marrocco**

Since 2008, seventy nine (79) priority 4 Certificate Holders have purchased ADUs. 72% of those purchases occurred after the changes were made to the process by which the waitlist is administered. In 2012, the ADU purchase program was experiencing a large number of units being sold at market due to the housing crisis. ADUAB requested changes to the waitlist process to motivate Certificate Holders to purchase the available ADUs in a shorter timeframe. The waitlist process was changed in September 2012. The result has been an increase in urgency to purchase units and fewer units have been sold at market. However, the program has seen a larger number of priority 4 Certificate Holders purchasing ADUs. Staff provided information regarding 2014 breakdown of which priorities purchased ADUs, the number of Certificate Holders in priority 4 who purchased in Aldie and Chantilly (Communities near Fairfax County) , and list of potential changes for the Board to consider. The Board by consensus recommended that staff not change the waitlist process at this time and provide information on the monthly report regarding the breakdown of which priorities are purchasing ADUs.

Shaun Kelley left the meeting at 10:15 a.m.

**G. Election of Chair and Vice Chair**

The Board made nomination for 2015 Chair and Vice Chair. Steve Schulte made the following motion:

“I move that the ADUAB approve the nomination of John Mossgrove as a Chair for the year of 2015”. Dawn Billow seconded the motion. The motion passed (7-0-1-2) (John Mossgrove-abstain, Dwight Stonerook, Shaun Kelley –absent).

“I move that the ADUAB approve the nomination of Pamela McGraw as a Vice Chair for the year of 2015”. Dawn Billow seconded the motion. The motion passed (7-0-1-2) (Pamela McGraw-abstain, Dwight Stonerook, Shaun Kelley –absent)

**Information Items**

**A. Monthly Report – A8-1-2**

Staff presented the monthly report. The demand for the ADU purchase program is high this year, the waitlist continues to increase (up to 223) and the supply is relatively low. Fewer units are going to market. ADU purchase program is still going strong with purchase of 26 units and the sale of 21 units. There were 3 condominium units purchased by County in October. Currently, 57 ADU units are under contract.

**B. Other Staff Updates – A9-1**

Staff updated the Board that staff met with Habitat for Humanity on November 25, 2014. Staff along with James Bailey reviewed the chronology of events and letters sent by Habitat to

ADUAB. James Bailey stated that it was their intent to have ADU covenants replaced by Habitat covenants. In addition, Habitat is speaking with members of the Board of Supervisors on this issue. Mr. Bailey said they would review the Memorandum of Understanding (MOU) and give comments back in early 2015. Staff was supposed to have a meeting with Habitat on December 8, 2014 to review the MOU, but Mr. Bailey was out sick. Habitat will call to reschedule the meeting.

The Housing Stakeholders Group (HSG) recommendations to the Board of Supervisors are tentatively scheduled for January. Additionally, Staff reviewed the October 14 ADUAB meeting administrative items recommended by HSG.

Staff provided a list of developments in Ashburn and Aldie upon the request of Steve Schulte. Developments include: Amberlea at Loudoun Valley Estates II, Broadlands, Kirkpatrick West, One Loudoun, Preserve at Goose Creek, Seven Hills, and Willowsford.

### **Committee Reports**

- A. Housing Advisory Board – Dwight Stonerook reminded the Board about AECOM questions that he distributed to the Board during the previous meeting and asked them to send their feedback to his attention.
- B. Builder's Committee – As mentioned above.
- C. Joint Finance and Consumer Committee – Committee met in October and asked staff to release minutes to ADUAB and schedule a meeting regarding what would be included in the marketing plan.
- D. Joint Builder's and Zoning Modification Committee – No meeting
- E. Zoning/Modification Committee – No meeting

**Meeting Adjourned** 10:35 a.m.      **Next Meeting:** Tuesday, January 13, 2015 at 8:00 a.m.

## ADU Monthly Statistics – October & November 2014

Item	October 2014	November 2014
New ADUs Listed for Marketing - Purchase	11	1
Resale ADUs Listed for Marketing – Purchase	3	0
<b>Total</b>	<b>14</b>	<b>1</b>
Sold to ADU Certificate Holder – New Units	4 (57 under contract)	18 (52 under contract)
Sold to ADU Certificate Holder – Resale Units	3	4
<b>Total</b>	<b>7</b>	<b>22</b>
Sold at Market – New Units	0	0
Sold at Market – Resale Units	2	0
<b>Total</b>	<b>2</b>	<b>0</b>
Purchase Waitlist	223	226
Rental Waitlist	136	132
Total Units Sold to ADU Certificate Holders *	2050	2069
Rental Units in Program	316	316
ADUs Purchased by County	3 (3 New)	0
ADUs Sold By County	5 (5 New)	2 (1 New, 1 Resale)
Total Number of Foreclosures to Auction – All Time	46	46
Total Number of Foreclosures in Litigation – All Time	69	69



**November Priorities Served:**

Priority 1: 14

Priority 2: 3

Priority 3: 5

Priority 4: 2

**November - Units Sold at Market Information:**

The County did not start purchasing new units until Dec. 2013.

Expiration date on the NOAs & the location of units sold at market.

New: None

Resale: None

**November - Purchase Committee:**

Purchase: No Units Available

New Units: N/A

Resale: N/A

\* If not sold to ADU Certificate Holders by the ordinance required expiration date

Not Purchase:

New Units: N/A

Resale: N/A

## **AFFORDABLE DWELLING UNIT ADVISORY BOARD**

### **John Mossgrave – CHAIR**

#### **Merritt Properties, LLC**

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**(Civil Engineer – exp., 2/28/17)**

**(4 yr. Appointment)**

### **Pamela McGraw –CO-CHAIR**

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**(Public At-Large exp. 12/31/2017)**

**(4 yr. Appointment)**

### **Rich Klusek**

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**(Planning & Zoning Dept. Rep - exp.  
11/30/2015)**

**(4 yr. Appointment)**

### **Steve Schulte, P.E.**

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**(Residential Building/Multi-Family Rep. -  
exp. 12/31/2017)**

**(4 yr. Appointment)**

### **Robert Fredeen**

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**(Program Participant exp. 12/31/17)**

**(4 Year Appointment)**

### **Board of Supervisors (non-voting)**

Supervisor Suzanne Volpe

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Ben Fornwalt - Aid

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**(Architect & Leesburg Rep. – exp.12/31/2017)**

**(4 yr. Appointment)**

### **James A. Anders, Jr.**

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**(Residential Building /Single Family- Rep  
exp. 6/30/16)**

**(3 yr. Appointment)**

### **Angela Plowman, PLC**

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**(Non-Profit Rep. - exp. 12/31/2017)**

**(4 yr. Appointment)**

### **Dawn Billow**

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**(Realtor Rep. - exp. 09/30/2015)**

**(4 yr. Appointment)**

### **Shaun Kelley**

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**(Financial Rep- exp. 3/31/2018)**

**(4 yr. Appointment)**

### **Staff Contacts:**

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Kelly Marrocco 571-258-3819

Lenny Goldberg 703-777-0506

Revised on 12/17/2014

**To:** The Affordable Dwelling Unit Advisory Board (ADUAB)  
**FROM:** Joint Meeting of Ad Hoc Consumers and Finance Committees  
**DATE:** November 12, 2014  
**RE:** ADU Program Marketing Strategy Framework

The ADUAB's Ad Hoc Consumer and Finance Committees met in joint session on October 31, 2014 to identify some questions that could be addressed by a marketing plan for the ADU program. Committee members present included Pamela McGraw, Dawn Billow, and Robert Fredeen. The Committee had a broad based discussion of many issues and questions. They identified the following big picture questions and data needs as well as marketing ideas that could be incorporated into the plan. Committee discussion included:

**PURPOSE OF THE MARKETING PLAN:**

To reduce the need for County purchase of ADUs that may go to market sale.

**BIG PICTURE QUESTIONS:**

- Do we have a marketing problem?
- Is there a problem with the adopted priorities?
- Should the program target certain sectors?
- Mortgage /Lending environment – What is happening?
- How much involvement should a realtor have? How much cost do you want to add to the sales price of an ADU with Realtor commissions? What is the role of realtors in the ADU program? How much support to ADU sellers need from realtors?
- Why are County-owned ADUs moving quickly?

**DATA NEEDS:**

- What is happening now – how are ADUs marketed?
- What units go to market?
- Who is buying ADUs?
- What employment sectors are purchasing? Are we reaching them?
- Demand/Supply Analysis

**MARKETING IDEAS TO INCLUDE IN THE PLAN:**

- Do more on front end
- Notify realtors
- Reach out to all realtor groups including:
  - Dulles Area Association of Realtors (DAAR)
  - Northern Virginia Association of Realtors
  - Prince William Association of Realtors

- Blue Ridge Association of Realtors
  - Virginia Association of Realtors ( would reach all groups)
- Create new priority “1a” for targeted (certain) sectors
- Provide regular info to sheriff/firefighters/teachers/renters- make sure understand benefits to purchase ADU rather than rent
- Regular e-blasts
- Lenders working with County - plug in earlier
- Provide lender information to renters
- Develop ADU Facebook page and other social media